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Law and Taxation
B.Com Part III
By
Dr. S.N. Pathak
Deptt of Commerce, R.N.C
Hajipur.

Question.

Sri Amarnath owns four Houses. Their Municipal valuation is 25,000, 30,000, 27000, and 50,000 Respectively. The Municipality levies 10% Tax. The First House is occupied by him for his Residence. The second House is occupied by a Business House at an Annual Rent of 33000. The Third House is let out to tenant for Residential Purpose at a Monthly Rent of 3000. In the Fourth House shree Amarnath is carrying on his own business which has yielded a net taxable income of 50,000. The construction of second and third House was completed on 31-3-2007. He claims the following deduction

(a) collection charges. 2000

(B) Int on loan taken for the repairs of first House amounted to 4000 per annum. during the previous year 2017-18, Rs 8000 were paid as Interest which indicates Interest of 4000 for the previous year 2016-17

(c) Rs 3000 paid as salary to Gardener in respect of the second House under terms of Agreement.

Compute taxable income from House Property. Assessment Year 2019-20

Milky

Ans: Computation of Taxable income from House property. Assessment year 2019-20

First House.

Annual Letting value (self occupied)	nil	
less. Int on Repairs.	4000	
(-)	(4000)	

Second House

Fair Rental value.	33000	
(-) salary of Gardener.	3000	
	30000	
(-) Municipal Tax 10%	3000	
	27000	
(-) Statutory deduction 30%	8100	18900

Third House.

Fair Rental value being Rent Received	36000	
(-) Municipal Tax.	2750	
	33250	
(-) statutory deduction @ 30%	9975	23275

Fourth House

It will not be taken,

Taxable Income from House Property. 38175